

2005 DRAFTING REQUEST

Bill

Received: **01/31/2006**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Administration**

By/Representing: **Jim Johnston**

This file may be shown to any legislator: **NO**

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**
Insurance - miscellaneous
Insurance - other insurance

Extra Copies:

Submit via email: **YES**

Requester's email: **james.johnston@doa.state.wi.us**

Carbon copy (CC:) to: **michelle.pink@doa.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Create authority for reinsurance program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 02/01/2006	lkunkel 02/02/2006		_____			
/P1			jfrantze 02/02/2006	_____	sbasford 02/02/2006		State
/P2	pkahler 02/08/2006	lkunkel 02/09/2006	rschluet 02/09/2006	_____	lnorthro 02/09/2006		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	pkahler 02/13/2006	lkunkel 02/28/2006	pgreensl 02/28/2006	_____	lnorthro 02/28/2006	sbasford 04/03/2006	

FE Sent For:

<END>

→ At
Intro.

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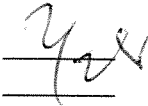

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1/mk 2/28 9/28/06

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/?	pkahler 02/01/2006	lkunkel 02/02/2006					
/P1			jfrantze 02/02/2006		sbasford 02/02/2006		

FE Sent For:

296
p6
<END>

2005 DRAFTING REQUEST

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Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Administration 6-3420**

By/Representing: **Jim Johnston**

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May Contact:

Addl. Drafters:

Subject: **Insurance - health**
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Extra Copies:

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Topic:

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Instructions:

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/?	pkahler	plmk 2/1	Jb 2/1	JRs 2/1			

FE Sent For:

<END>



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR

STEPHEN E. BABLITCH
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: January 26, 2006

To: Steve Miller
Director, Legislative Reference Bureau

From: Jim Johnston *[Signature]* 6-3420

Subject: Drafting Requests for the Governor's State of the State Health Care Initiatives

Attached are three drafting requests related to the health care initiatives the Governor announced during his state of the State address. The specific requests are for:

Family Care Expansion – Delete the current statutory cap on the percentage of the population eligible for Family Care coverage and modify legislative oversight of the expansion effort.

Penalty for Large Employees Dumping Health Care Benefits – Create a civil forfeiture for large employers who deliberately take action to reduce health care benefits with the intent of dumping employees onto the State's BadgerCare program.

Catastrophic Coverage Reinsurance Pool – Create a new authority to study options for developing a reinsurance pool to help employers and individuals control health care costs. The authority will also implement the reinsurance program.

We will notify you soon regarding legislative sponsors for these initiatives and plan to get these bills introduced shortly.

cc: David Schmiedicke
Tim Casper, Governor's Office

Healthy Wisconsin Catastrophic Health Insurance Pool
State of the State Initiative

*in this draft only
with a study?*

*not admitted
pool yet?*

Current Language

None

Call Jim

Proposed Change

Create a quasi-governmental authority, called the Healthy Wisconsin Authority (HWA), to recommend options for, develop and administer a catastrophic health care reinsurance pool.

Effect of the Change

Create a new quasi-governmental authority to study options and make recommendations on the implementation of a program to issue catastrophic reinsurance policies for group, employer and individual health plans. The study options and recommendations must be delivered to the Department of Administration by November 15, 2006. Once the study is submitted, the Authority will develop, implement and administer the reinsurance program.

*do
now stat*

The Authority will be comprised of thirteen members who will serve staggered 4 year terms. Each member's term will commence on the date the predecessor's term expires and each member will serve until a successor has been appointed and has qualified. ✓ ?

The Senate Republican leader, the Senate Democratic leader, the Assembly Republican leader, and the Assembly Democratic leader may each appoint one member of the Authority from their respective party and house. The remaining 9 members will be appointed by the Governor with the advice and consent of the Senate and will include 1 health care provider, 1 representative of a Wisconsin health insurance company, 1 representative of a Wisconsin employer, 1 representative of Wisconsin labor organizations, and 5 representatives of the public. The Governor will designate the chairperson of the Authority who will serve a 1 year term. The Commissioner of Insurance will be a non-voting ex officio member. ✓ ✓ ✓

Members will not receive compensation for services but will be reimbursed for necessary expenses, including travel expenses subject to uniform travel amounts under s. 20.916 (8). ✓

A majority of the Authority members constitutes a quorum for the purposes of conducting business, notwithstanding any vacancies. Action may be taken by the Authority upon a vote of a majority of the members present. Meetings may be held anywhere within or without the state. ✓

Rationale for the Change

As explained in State of the State Address, the Governor intends to stabilize and decrease health care insurance premiums for employers and the public by creating a catastrophic health care reinsurance pool run by a quasi-governmental entity. This legislation creates the Authority.

Desired Effective Date:

Upon Passage

Agency:

DOA

Agency Contact:

Jim Johnston, 266-3420 or Michelle Pink 267-7980

James Johnston @ doa^{state.}wi.us

Michelle Pink @

How do these differ from HIRSP?

	Treatment of Health Wisconsin Authority	Included in Requirement = Yes
7.33(1)(c)	Definition of state agency to include authorities for purposes of serving as an election official	No
13.172(1)	Definition of agency including authorities regarding submitting reports to the legislature	Yes
13.48(10)(b)3m	Exemption for authority from having to get Building Commission approval for construction projects	No
"(12)(b)4	Exemption for authority from getting Building Commission approval to build on state-owned land	No
"(13)(a)	Compliance with state laws and codes for building to include authorities	Yes → diff
13.62(2)	Definition of agency to include authority for lobbying regulation	Yes
13.94(1)(b) and (g) and (4)(a)1 ↗	LAB audit required, report to them on receivables and LAB has authority to audit including authorities	Yes (g) → diff?
13.95	Duties of LFB	Yes
16.002(2)	Definition of department to exclude authorities	Yes
16.004 (4),(5) and (12)(a)	DOA secretary has access to audit including authorities, all including authorities must cooperate, exempts the UW and Fox River from rules regarding surveillance of employees.	Yes
16.008(2)	Requires the authority to pay for extraordinary police service	No
16.01(1)	Definition of agency includes authorities for purposes of the Women's Council	No
16.045(1)(a)	Definition of agency to include authorities for purposes of use of gasahol	No
16.41(4)	Agencies to keep financial records including authorities	Yes
16.417(1)(b)	Definition of agency includes authorities for purposes of preventing dual employment	No
16.52(7)	Exempts authorities from keeping a petty cash fund	Yes
16.528(1)(a)	Definition of agency excludes authorities for purposes of determining interest in late payments	Yes

16.53(2)	Exempts authorities from rules on improper invoices	Yes
16.54(9)(a)1	Exempts authorities from indirect cost determination for FED	Yes
16.611(2)(a) and (c)	DOA to do rules for the UW authority to record public records on optical scanners	No
16.70(2)	Authorities included in purchasing rules	Yes
16.75(1m)	Authorities except UW to issue contracts on life cycle analysis	Yes
16.765(1) etc.	Authorities required to have nondiscrimination clause in contract and follow certain procedures	Yes
16.838(1)(b)	Authority subject to rules on historically significant furnishings	No
16.845(1)	Authority subject to rule on letting others use as a public building	No
16.85(2) and (16)	Excludes authority from use of DOA engineering services but requires approval of building projects for Fox River	No
16.865(8)	Excludes authorities from risk management charges	Yes
19.42(5) etc	Code of ethics for public officials to include authorities	Yes
20.9275(1)(g)	Definition of agency includes authorities for purposes of applying for a pregnancy prevention grant	No
23.175(1)(b)	Definition of agency to include authorities for purposes of state trails	No
25.50(1)(d)	Definition of local government to include authorities for purposes of the local government pooled investment fund	No
40.02(54)	Definition of agency for purposes of ETF	No
70.11(41)	Exempt Fox River from property tax payment	Yes
71.26(1)(be)	Exempt from income and franchise tax	Yes
77.54(9)(a)	Exempt from sales and use tax	Yes
100.45(1)(dm)	Sale of ozone depleting refrigerant	No
101.177(1)(d)	Same as above	No
103.49(1)(f)	Wage rate on state jobs	No
230.03(3)	Exempt authority from state hiring process	No
281.75(4)(b)3	Authority can't make a claim for contaminated well water	No
285.59(1)(b)	More ozone-depleting refrigerant language	No
704.31(3)	Exempt authority from remedy for default on leases	No

Kahler, Pam

To: Johnston, James
Subject: Healthy Wisconsin Authority (HWA)

Jim:

I've compared the cross-reference lists for the HIRSP Authority and HWA, and gone through Act 74, which created the HIRSP Authority with its cross-references. As far as I can tell, you want to treat the two authorities in the same way *except* for the following:

HWA should *not* be *excluded* from ss. 1.12 (1) (b), 16.004 (12) (a), 16.15 (1) (ab), 16.72 (2) (e) (intro.) or (f), 101.055 (2) (a), 230.80 (4), or 895.65 (1) (c)

HWA needs to be specifically included in (added to) s. 13.48 (13) (a)

Are the above statements correct?

I was unsure about s. 16.75, but I think what you are saying is that you do *not* want to *exclude* HWA from s. 16.75 (1m), (8) (a) 1. or 2., or (9), as the HIRSP Authority was. Is that correct?

So, all the other sections in the statutes with cross-references to authorities (or entities that include authorities), should treat HWA in the same way as the HIRSP authority was treated. Correct? (Your instruction seemed to say that you do not want to exclude HWA from s. 230.03 (3), which the HIRSP Authority was, but Rick Champagne says that it *should* be excluded, and to give him a call if you disagree.)

Some of the cross-reference differences may be unintentional because they weren't included on your list at all.

Please pass this e-mail along to Sue if she put together the cross-reference list.

Thanks,
Pam



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4520/2

PJK:.....

mk

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note
Friday

gen cat
✓

1 AN ACT [✓]; relating to: creating a Healthy Wisconsin Authority, requiring a study
2 on a catastrophic reinsurance program for health care costs. [✓]

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 13.172 (1) of the statutes, as affected by 2005 Wisconsin Act 74, is
4 amended to read:

5 13.172 (1) In this section, "agency" means an office, department, agency,
6 institution of higher education, association, society, or other body in state
7 government created or authorized to be created by the constitution or any law, that
8 is entitled to expend moneys appropriated by law, including the legislature and the
9 courts, and any authority created in subch. III of ch. 149 or in ch. 231, 233, or 234,
10 or 238. [✓]

1 **SECTION 2.** 13.48 (13) (a) of the statutes is amended to read:

2 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
3 facility that is constructed for the benefit of or use of the state, any state agency,
4 board, commission or department, the University of Wisconsin Hospitals and Clinics
5 Authority, the Fox River Navigational System Authority, the Health Wisconsin
6 Authority, or any local professional baseball park district created under subch. III
7 of ch. 229 if the construction is undertaken by the department of administration on
8 behalf of the district, shall be in compliance with all applicable state laws, rules,
9 codes and regulations but the construction is not subject to the ordinances or
10 regulations of the municipality in which the construction takes place except zoning,
11 including without limitation because of enumeration ordinances or regulations
12 relating to materials used, permits, supervision of construction or installation,
13 payment of permit fees, or other restrictions.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25.

14 **SECTION 3.** 13.62 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is

15 amended to read:

16 13.62 (2) “Agency” means any board, commission, department, office, society,
17 institution of higher education, council, or committee in the state government, or any
18 authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, ~~or 237~~, or 238,
19 except that the term does not include a council or committee of the legislature.

History: 2005 a. 74.

20 **SECTION 4.** 13.95 (intro.) of the statutes, as affected by 2005 Wisconsin Act 74,

21 is amended to read:

22 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
23 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau

1 shall be strictly nonpartisan and shall at all times observe the confidential nature
2 of the research requests received by it; however, with the prior approval of the
3 requester in each instance, the bureau may duplicate the results of its research for
4 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's
5 designated employees shall at all times, with or without notice, have access to all
6 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
7 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
8 and the Fox River Navigational System Authority, and to any books, records, or other
9 documents maintained by such agencies or authorities and relating to their
10 expenditures, revenues, operations, and structure.

History: 2005 a. 74.

11 **SECTION 5.** 16.002 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
12 amended to read:

13 16.002 (2) "Departments" means constitutional offices, departments, and
14 independent agencies and includes all societies, associations, and other agencies of
15 state government for which appropriations are made by law, but not including
16 authorities created in subch. III of ch. 149 and in chs. 231, 232, 233, 234, 235, and
17 237, and 238.

History: 2005 a. 74.

18 **SECTION 6.** 16.004 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
19 amended to read:

20 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
21 department as the secretary designates may enter into the offices of state agencies
22 and authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and
23 237, and 238, and may examine their books and accounts and any other matter that

1 in the secretary's judgment should be examined and may interrogate the agency's
2 employees publicly or privately relative thereto.

History: 2005 a. 74.

3 **SECTION 7.** 16.004 (5) of the statutes, as affected by 2005 Wisconsin Act 74, is
4 amended to read:

5 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
6 authorities created under subch. III of ch. 149 and under chs. 231, 233, 234, and 237,
7 and 238, and their officers and employees, shall cooperate with the secretary and
8 shall comply with every request of the secretary relating to his or her functions.

History: 2005 a. 74.

9 **SECTION 8.** 16.045 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
10 is amended to read:

11 16.045 (1) (a) "Agency" means an office, department, independent agency,
12 institution of higher education, association, society, or other body in state
13 government created or authorized to be created by the constitution or any law, that
14 is entitled to expend moneys appropriated by law, including the legislature and the
15 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
16 232, 233, 234, 235, ~~or 237~~, or 238.

History: 2005 a. 74.

17 **SECTION 9.** 16.41 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
18 amended to read:

19 16.41 (4) In this section, "authority" means a body created under subch. III of
20 ch. 149 or under ch. 231, 233, 234, ~~or 237~~, or 238.

History: 2005 a. 74.

21 **SECTION 10.** 16.417 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
22 is amended to read:

1 16.417 (1) (a) “Agency” means an office, department, independent agency,
2 institution of higher education, association, society, or other body in state
3 government created or authorized to be created by the constitution or any law, that
4 is entitled to expend moneys appropriated by law, including the legislature and the
5 courts, but not including an authority or the body created under subch. III of ch. 149
6 or under ch. 238. ✓

History: 2005 a. 74. ✓

7 **SECTION 11.** 16.52 (7) of the statutes, as affected by 2005 Wisconsin Act 74, is
8 amended to read:

9 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency
10 that is authorized to maintain a contingent fund under s. 20.920 may establish a
11 petty cash account from its contingent fund. The procedure for operation and
12 maintenance of petty cash accounts and the character of expenditures therefrom
13 shall be prescribed by the secretary. In this subsection, “agency” means an office,
14 department, independent agency, institution of higher education, association,
15 society, or other body in state government created or authorized to be created by the
16 constitution or any law, that is entitled to expend moneys appropriated by law,
17 including the legislature and the courts, but not including an authority created in
18 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 238. ✓

History: 2005 a. 74. ✓

19 **SECTION 12.** 16.528 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
20 is amended to read:

21 16.528 (1) (a) “Agency” means an office, department, independent agency,
22 institution of higher education, association, society, or other body in state
23 government created or authorized to be created by the constitution or any law, that

1 is entitled to expend moneys appropriated by law, including the legislature and the
2 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
3 233, 234, ~~or 237~~, or 238.

History: 2005 a. 74.

4 **SECTION 13.** 16.53 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
5 amended to read:

6 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
7 invoice, the agency shall notify the sender of the invoice within 10 working days after
8 it receives the invoice of the reason it is improperly completed. In this subsection,
9 “agency” means an office, department, independent agency, institution of higher
10 education, association, society, or other body in state government created or
11 authorized to be created by the constitution or any law, that is entitled to expend
12 moneys appropriated by law, including the legislature and the courts, but not
13 including an authority created in subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237~~,
14 or 238.

History: 2005 a. 74.

15 **SECTION 14.** 16.54 (9) (a) 1. of the statutes, as affected by 2005 Wisconsin Act
16 74, is amended to read:

17 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
18 institution of higher education, association, society or other body in state
19 government created or authorized to be created by the constitution or any law, which
20 is entitled to expend moneys appropriated by law, including the legislature and the
21 courts, but not including an authority created in subch. III of ch. 149 or in ch. 231,
22 233, 234, ~~or 237~~, or 238.

History: 2005 a. 74.

1 **SECTION 15.** 16.70 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
2 amended to read:

3 16.70 (2) "Authority" means a body created under subch. III of ch. 149 or under
4 ch. 231, 232, 233, 234, 235, ~~or 237,~~ or 238.

History: 2005 a. 74.

5 **SECTION 16.** 16.765 (1) of the statutes, as affected by 2005 Wisconsin Act 74,
6 is amended to read:

7 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
8 Clinics Authority, the Fox River Navigational System Authority, the Health
9 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
10 Bradley Center Sports and Entertainment Corporation shall include in all contracts
11 executed by them a provision obligating the contractor not to discriminate against
12 any employee or applicant for employment because of age, race, religion, color,
13 handicap, sex, physical condition, developmental disability as defined in s. 51.01 (5),
14 sexual orientation as defined in s. 111.32 (13m), or national origin and, except with
15 respect to sexual orientation, obligating the contractor to take affirmative action to
16 ensure equal employment opportunities.

History: 2005 a. 74.

17 **SECTION 17.** 16.765 (2) of the statutes, as affected by 2005 Wisconsin Act 74,
18 is amended to read:

19 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
20 Clinics Authority, the Fox River Navigational System Authority, the Health
21 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
22 Bradley Center Sports and Entertainment Corporation shall include the following
23 provision in every contract executed by them: "In connection with the performance

1 of work under this contract, the contractor agrees not to discriminate against any
2 employee or applicant for employment because of age, race, religion, color, handicap,
3 sex, physical condition, developmental disability as defined in s. 51.01 (5), sexual
4 orientation or national origin. This provision shall include, but not be limited to, the
5 following: employment, upgrading, demotion or transfer; recruitment or recruitment
6 advertising; layoff or termination; rates of pay or other forms of compensation; and
7 selection for training, including apprenticeship. Except with respect to sexual
8 orientation, the contractor further agrees to take affirmative action to ensure equal
9 employment opportunities. The contractor agrees to post in conspicuous places,
10 available for employees and applicants for employment, notices to be provided by the
11 contracting officer setting forth the provisions of the nondiscrimination clause”.

History: 2005 a. 74.

12 **SECTION 18.** 16.765 (4) of the statutes, as affected by 2005 Wisconsin Act 74,
13 is amended to read:

14 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and
15 Clinics Authority, the Fox River Navigational System Authority, the Health
16 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the
17 Bradley Center Sports and Entertainment Corporation shall take appropriate action
18 to revise the standard government contract forms under this section.

History: 2005 a. 74.

19 **SECTION 19.** 16.765 (5) of the statutes, as affected by 2005 Wisconsin Act 74,
20 is amended to read:

21 16.765 (5) The head of each contracting agency and the boards of directors of
22 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
23 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,

1 the Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment
2 Corporation shall be primarily responsible for obtaining compliance by any
3 contractor with the nondiscrimination and affirmative action provisions prescribed
4 by this section, according to procedures recommended by the department. The
5 department shall make recommendations to the contracting agencies and the boards
6 of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox
7 River Navigational System Authority, the Health Insurance Risk-Sharing Plan
8 Authority, the Healthy Wisconsin Authority, and the Bradley Center Sports and
9 Entertainment Corporation for improving and making more effective the
10 nondiscrimination and affirmative action provisions of contracts. The department
11 shall promulgate such rules as may be necessary for the performance of its functions
12 under this section.

History: 2005 a. 74.

13 **SECTION 20.** 16.765 (6) of the statutes, as affected by 2005 Wisconsin Act 74,
14 is amended to read:

15 16.765 (6) The department may receive complaints of alleged violations of the
16 nondiscrimination provisions of such contracts. The department shall investigate
17 and determine whether a violation of this section has occurred. The department may
18 delegate this authority to the contracting agency, the University of Wisconsin
19 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
20 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
21 or the Bradley Center Sports and Entertainment Corporation for processing in
22 accordance with the department's procedures.

History: 2005 a. 74.

SECTION 21

1 **SECTION 21.** 16.765 (7) (intro.) of the statutes, as affected by 2005 Wisconsin
2 Act 74, is amended to read:

3 16.765 (7) (intro.) When a violation of this section has been determined by the
4 department, the contracting agency, the University of Wisconsin Hospitals and
5 Clinics Authority, the Fox River Navigational System Authority, the Health
6 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the
7 Bradley Center Sports and Entertainment Corporation, the contracting agency, the
8 University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational
9 System Authority, the Health Insurance Risk-Sharing Plan Authority, the Healthy
10 Wisconsin Authority, or the Bradley Center Sports and Entertainment Corporation
11 shall:

History: 2005 a. 74.

12 **SECTION 22.** 16.765 (7) (d) of the statutes, as affected by 2005 Wisconsin Act 74,
13 is amended to read:

14 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
15 further violations of this section and to report its corrective action to the contracting
16 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
17 Navigational System Authority, the Health Insurance Risk-Sharing Plan Authority,
18 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment
19 Corporation.

History: 2005 a. 74.

20 **SECTION 23.** 16.765 (8) of the statutes, as affected by 2005 Wisconsin Act 74,
21 is amended to read:

22 16.765 (8) If further violations of this section are committed during the term
23 of the contract, the contracting agency, the Fox River Navigational System Authority,

1 the Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin
2 Authority, or the Bradley Center Sports and Entertainment Corporation may permit
3 the violating party to complete the contract, after complying with this section, but
4 thereafter the contracting agency, the Fox River Navigational System Authority, the
5 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,
6 or the Bradley Center Sports and Entertainment Corporation shall request the
7 department to place the name of the party on the ineligible list for state contracts,
8 or the contracting agency, the Fox River Navigational System Authority, the Health
9 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the
10 Bradley Center Sports and Entertainment Corporation may terminate the contract
11 without liability for the uncompleted portion or any materials or services purchased
12 or paid for by the contracting party for use in completing the contract.

History: 2005 a. 74.

13 **SECTION 24.** 16.85 (2) of the statutes, as affected by 2005 Wisconsin Act 74, is
14 amended to read:

15 16.85 (2) To furnish engineering, architectural, project management, and other
16 building construction services whenever requisitions therefor are presented to the
17 department by any agency. The department may deposit moneys received from the
18 provision of these services in the account under s. 20.505 (1) (kc) or in the general
19 fund as general purpose revenue — earned. In this subsection, “agency” means an
20 office, department, independent agency, institution of higher education, association,
21 society, or other body in state government created or authorized to be created by the
22 constitution or any law, which is entitled to expend moneys appropriated by law,

1 including the legislature and the courts, but not including an authority created in
2 subch. III of ch. 149 or in ch. 231, 233, 234, ~~or~~ 237, or 238.

History: 2005 a. 74.

3 **SECTION 25.** 16.865 (8) of the statutes, as affected by 2005 Wisconsin Act 74,
4 is amended to read:

5 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
6 proportionate share of the estimated costs attributable to programs administered by
7 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
8 may charge premiums to agencies to finance costs under this subsection and pay the
9 costs from the appropriation on an actual basis. The department shall deposit all
10 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
11 Costs assessed under this subsection may include judgments, investigative and
12 adjustment fees, data processing and staff support costs, program administration
13 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
14 subsection, “agency” means an office, department, independent agency, institution
15 of higher education, association, society, or other body in state government created
16 or authorized to be created by the constitution or any law, that is entitled to expend
17 moneys appropriated by law, including the legislature and the courts, but not
18 including an authority created in subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235,
19 ~~or~~ 237, or 238.

History: 2005 a. 74.

20 **SECTION 26.** 70.11 (41p) of the statutes is created to read:

21 70.11 (41p) HEALTHY WISCONSIN AUTHORITY. All property owned by the Healthy
22 Wisconsin Authority, provided that use of the property is primarily related to the
23 purposes of the authority.

✓
1 **SECTION 27.** 71.26 (1) (be) of the statutes, as affected by 2005 Wisconsin Act 74,
2 is amended to read:

3 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
4 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan
5 Authority, of the Healthy Wisconsin Authority, and of the Fox River Navigational
6 System Authority.

History: 2005 a. 74.

✓
7 **SECTION 28.** 77.54 (9a) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
8 is amended to read:

9 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
10 Hospitals and Clinics Authority, the Health Insurance Risk-Sharing Plan Authority,
11 the Healthy Wisconsin Authority, and the Fox River Navigational System Authority.

History: 2005 a. 74.

✓
12 **SECTION 29.** 101.055 (2) (a) of the statutes, as affected by 2005 Wisconsin Act
13 74, is amended to read:

14 101.055 (2) (a) “Agency” means an office, department, independent agency,
15 authority, institution, association, society, or other body in state government created
16 or authorized to be created by the constitution or any law, and includes the
17 legislature and the courts, but excludes the Health Insurance Risk-Sharing Plan
18 Authority and the Healthy Wisconsin Authority.

History: 2005 a. 74.

****NOTE: This section was not included on your list. Do you want it amended in
this manner?

✓
19 **SECTION 30.** 101.177 (1) (d) of the statutes, as affected by 2005 Wisconsin Act
20 74, is amended to read:

21 101.177 (1) (d) “State agency” means any office, department, agency,
22 institution of higher education, association, society, or other body in state

1 government created or authorized to be created by the constitution or any law, that
2 is entitled to expend moneys appropriated by law, including the legislature and the
3 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
4 Center Sports and Entertainment Corporation, the University of Wisconsin
5 Hospitals and Clinics Authority, and the Wisconsin Health and Educational
6 Facilities Authority, but excluding the Health Insurance Risk-Sharing Plan
7 Authority and the Healthy Wisconsin Authority. ✓

History: 2005 a. 74.

8 **SECTION 31.** 230.03 (3) ✓ of the statutes, as affected by 2005 Wisconsin Act 74,
9 is amended to read:

10 230.03 (3) “Agency” means any board, commission, committee, council, or
11 department in state government or a unit thereof created by the constitution or
12 statutes if such board, commission, committee, council, department, unit, or the
13 head thereof, is authorized to appoint subordinate staff by the constitution or
14 statute, except a legislative or judicial board, commission, committee, council,
15 department, or unit thereof or an authority created under subch. III of ch. 149 or
16 under ch. 231, 232, 233, 234, 235, ~~or~~ 237, or 238. ✓ “Agency” does not mean any local
17 unit of government or body within one or more local units of government that is
18 created by law or by action of one or more local units of government.

History: 2005 a. 74.

19 **SECTION 32.** Chapter 238 of the statutes is created to read:

20 **238.01 Definitions.** In this chapter:

21 (1) “Authority” means the Healthy Wisconsin Authority. ✓

22 (2) “Board” means the board of directors of the authority. ✓

Insert 14-19

1 **238.05 Creation and organization of authority.** (1) There is created a
2 public body corporate and politic to be known as the “Healthy Wisconsin Authority.”
3 The board of directors of the authority shall consist of the commissioner of insurance,
4 or his or her designee, as a nonvoting member, and the following 13 members, who
5 shall serve 4-year terms:

6 (a) One majority party senator appointed by the senate majority leader. ✓

7 (b) One minority party senator appointed by the senate minority leader. ✓

8 (c) One majority party representative to the assembly appointed by the
9 assembly majority leader. ✓

10 (d) One minority party representative to the assembly appointed by the
11 assembly minority leader. ✓

 ****NOTE: Are these the “leaders” you wanted to make the appointments? ✓

12 (e) Nine nominees of the governor, appointed with the advice and consent of the
13 senate, consisting of all of the following: ✓

14 1. One health care provider. ✓

15 2. One representative of a Wisconsin health insurance company. ✓

16 3. One representative of a Wisconsin employer. ✓

17 4. One representative of Wisconsin labor unions. ✓

18 5. Five other members who represent the public interest. ✓

19 (2) Each member of the board shall hold office until a successor is appointed
20 and qualified unless the member vacates or is removed from his or her office. ✓ A
21 member who serves as a result of holding another office or position vacates his or her
22 office as a member when he or she vacates the other office or position. ✓ A member who
23 ceases to qualify for office vacates his or her office. ✓ A vacancy on the board shall be

1 filled in the same manner as the original appointment to the board for the remainder
2 of the unexpired term, if any.

3 (3) Annually, the governor shall appoint one member as chairperson, and the
4 members of the board may elect other officers as they consider appropriate.

5 (4) A majority of the members of the board constitutes a quorum for the purpose
6 of conducting its business and exercising its powers and for all other purposes,
7 notwithstanding the existence of any vacancies. Action may be taken by the board
8 upon a vote of a majority of the members present. Meetings of the members of the
9 board may be held anywhere within or without the state.

10 (5) A member of the board may not be compensated for his or her services but
11 shall be reimbursed for actual and necessary expenses incurred in the performance
12 of his or her duties, including travel expenses, subject to uniform travel schedule
13 amounts approved under s. 20.916 (8).

14 (6) No cause of action may not arise against and no civil liability may be
15 imposed upon a member (or executive director; see NOTE below) of the authority for
16 any act or omission in the performance of his or her powers and duties under this
17 chapter, unless the person asserting liability proves that the act or omission
18 constitutes willful misconduct.

****NOTE: Do you want the authority to appoint a chief executive officer or an
executive director? All of the other authorities have one or the other.

19 **238.10 Powers of authority.** (1) Except as restricted under sub. (2), the
20 authority shall have all the powers necessary or convenient to carry out the purposes
21 and provisions of this chapter. In addition to all other powers granted by this chapter,
22 the authority may:

1 (a) Adopt, amend, and repeal bylaws and policies and procedures for the
2 regulation of its affairs and the conduct of its business. ✓

3 (b) Have a seal and alter the seal at pleasure. ✓

4 (c) Maintain an office. ✓

5 (d) Sue and be sued. ✓

6 (e) Accept gifts, grants, loans, or other contributions from private or public
7 sources. ✓

8 (f) Execute contracts and other instruments, including contracts for any
9 professional services required for the authority. ✓

10 (g) Employ any officers, agents, and employees that it may require and
11 determine their qualifications and compensation. ✓

12 (h) Procure liability insurance. ✓

13 (2) The authority may not issue bonds. ✓

****NOTE: Do you want to prohibit the authority from issuing bonds? ✓

****NOTE: Do you want the authority to have any other powers? ✓

14 **238.15 Duties of authority.** In addition to all other duties imposed under this
15 chapter, the authority shall do all of the following:

16 (a) Study options for implementing a program to provide reinsurance to groups
17 and individuals in this state for catastrophic claims under group and individual
18 health insurance policies. ✓

19 (b) No later than November 15, 2006, submit to the secretary of administration
20 a report with its recommendations for implementing a reinsurance program
21 described in par. (a). ✓

1 (c) After receiving approval of one or more recommendations submitted in the
2 report under par. (b), develop and administer a reinsurance program described in
3 par. (a) in accordance with those recommendations approved. ✓

****NOTE: Should this approval be by the legislature in the form of legislation? ✓

****NOTE: Do you want the authority to have any other duties? ✓

4 **SECTION 33. Nonstatutory provisions.**

5 (1) INITIAL TERMS OF BOARD MEMBERS. Notwithstanding the lengths of terms of
6 the members of the board of directors of the Healthy Wisconsin Authority specified
7 in section 238.05 (1) (intro.), as created by this act, the initial members shall be
8 appointed for the following terms:

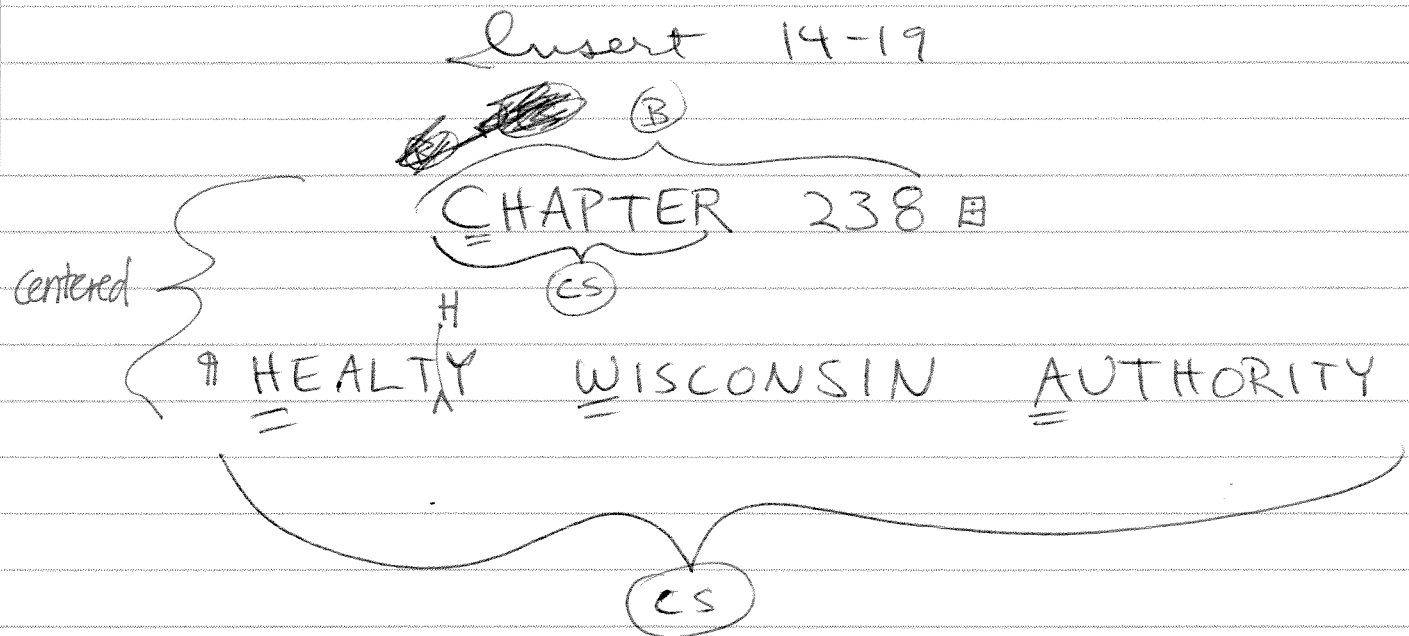
9 (a) The 4 members specified under section 238.05 (1) (a) to (d) of the statutes,
10 as created by this act, for terms that expire on July 1, 2008. ✓

11 (b) Four members specified under section 238.05 (1) (e) of the statutes, as
12 created by this act, for terms that expire on July 1, 2009. ✓

13 (c) Five members specified under section 238.05 (1) (e) of the statutes, as
14 created by this act, for terms that expire on July 1, 2010. ✓

15 (END)

D-note



(end of insert 14-19)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4520/2dn
PJK:.....
mk

(date)

To: Jim Johnston and
Michelle Pink

Please review the cross-reference sections very carefully. ✓ I did not receive any response to a number of specific questions I had regarding whether the authority should be subject to various provisions. ✓

Will the authority need an appropriation for the study and report? ✓

Creating an authority seems way beyond what is needed for a study and recommendations on a reinsurance program. ✓ A study and recommendations could much more easily and efficiently be done by a council or a committee, and then an authority could be created later, if necessary, to develop and administer any reinsurance program approved on the basis of the council's or committee's recommendations. ✓ The same individuals could be members of both the council or committee and the authority's board of directors. ✓

Pamela J. Kahler
Senior Legislative Attorney
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CALW/JS+MP, 2-2

✓ no appropriation

✓ p2, 11 "y" also
←

✓ do not include: 101.055(2)(a)

✓ 101.177(i)(d) do include
— HWAck to see if this requirement
is in other sections

ck X-req for WHEDA

✓ p14 - yes

want executive director

- but get back
to us on that -
how appointed

✓ no bonds

no other powers

do want legislative approval through
after report legislation meeting

Kahler, Pam

From: Pink, Michelle - DOA [Michelle.Pink@Wisconsin.gov]
Sent: Friday, February 03, 2006 9:31 AM
To: Kahler, Pam; Johnston, James
Subject: RE: Cross-references
Attachments: Catastrophic Authority cites.doc

Pam, You are correct and we do want the Authority to be subject to all refrigerant/ozone requirements. Here is the amended list, yet again.

Thank you!

Michelle

From: Kahler, Pam [mailto:Pam.Kahler@legis.state.wi.us]
Sent: Thursday, February 02, 2006 4:48 PM
To: Johnston, James; Pink, Michelle
Subject: Cross-references

Jim and Michelle:

After doing another review of the cross-reference sections, I found two other sections that you probably want to include, ss. 100.45 (1) (dm) and 285.59 (1) (b). Both deal with a similar issue to the one in s. 101.177 (1) (d), i.e., ozone-depleting refrigerants. In your original list, all three sections were "no's", but if you want s. 101.177 (1) (dm) to be a "yes" instead, you probably want the other two to be "yes" also.

Pam

	Treatment of Healthy Wisconsin Authority	Included in Requirement = Yes
7.33(1)(c)	Definition of state agency to include authorities for purposes of serving as an election official	No
13.172(1)	Definition of agency including authorities regarding submitting reports to the legislature	Yes
13.48(10)(b)3m	Exemption for authority from having to get Building Commission approval for construction projects	No
"(12)(b)4	Exemption for authority from getting Building Commission approval to build on state-owned land	No
"(13)(a)	Compliance with state laws and codes for building to include authorities	Yes
13.62(2)	Definition of agency to include authority for lobbying regulation	Yes
13.94(1)(b) and (g) and (4)(a)1	LAB audit required, report to them on receivables and LAB has authority to audit including authorities	Yes
13.95	Duties of LFB	Yes
16.002(2)	Definition of department to exclude authorities	Yes
16.004 (4),(5) and (12)(a)	DOA secretary has access to audit including authorities, all including authorities must cooperate, exempts the UW and Fox River from rules regarding surveillance of employees.	Yes
16.008(2)	Requires the authority to pay for extraordinary police service	No
16.01(1)	Definition of agency includes authorities for purposes of the Women's Council	No
16.045(1)(a)	Definition of agency to include authorities for purposes of use of gasahol	No
16.41(4)	Agencies to keep financial records including authorities	Yes
16.417(1)(b)	Definition of agency includes authorities for purposes of preventing dual employment	No
16.52(7)	Exempts authorities from keeping a petty cash fund	Yes
16.528(1)(a)	Definition of agency excludes authorities for purposes of determining interest in late payments	Yes
16.53(2)	Exempts authorities from rules on improper invoices	Yes
16.54(9)(a)1	Exempts authorities from indirect cost determination for FED	Yes
16.611(2)(a) and (c)	DOA to do rules for the UW authority to record public records on optical scanners	No

16.70(2)	Authorities included in purchasing rules	Yes
16.75(1m)	Authorities except UW to issue contracts on life cycle analysis	Yes
16.765(1) etc.	Authorities required to have nondiscrimination clause in contract and follow certain procedures	Yes
16.838(1)(b)	Authority subject to rules on historically significant furnishings	No
16.845(1)	Authority subject to rule on letting others use as a public building	No
16.85(2) and (16)	Excludes authority from use of DOA engineering services but requires approval of building projects for Fox River	No
16.865(8)	Excludes authorities from risk management charges	Yes
19.42(5) etc	Code of ethics for public officials to include authorities	Yes
20.9275(1)(g)	Definition of agency includes authorities for purposes of applying for a pregnancy prevention grant	No
23.175(1)(b)	Definition of agency to include authorities for purposes of state trails	No
25.50(1)(d)	Definition of local government to include authorities for purposes of the local government pooled investment fund	No
40.02(54)	Definition of agency for purposes of ETF	No
70.11(41)	Exempt Fox River from property tax payment	Yes
71.26(1)(be)	Exempt from income and franchise tax	Yes
77.54(9)(a)	Exempt from sales and use tax	Yes
100.45(1)(dm)	Sale of ozone depleting refrigerant	Yes *
101.055(2)(a)	OSHA protections cover employees	Yes *
101.177(1)(d)	Sale of ozone depleting refrigerant	Yes *
103.49(1)(f)	Wage rate on state jobs	No
230.03(3)	Exempt authority from state hiring process	No
281.75(4)(b)3	Authority can't make a claim for contaminated well water	No
285.59(1)(b)	More ozone-depleting refrigerant language	Yes *
704.31(3)	Exempt authority from remedy for default on leases	No

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4520/P1dn
PJK:lmk:jf

February 2, 2006

To: Jim Johnston and Michelle Pink

Please review the cross-reference sections very carefully. I did not receive any response to a number of specific questions I had regarding whether the authority should be subject to various provisions.

Will the authority need an appropriation for the study and report?

Creating an authority seems way beyond what is needed for a study and recommendations on a reinsurance program. A study and recommendations could much more easily and efficiently be done by a council or a committee, and then an authority could be created later, if necessary, to develop and administer any reinsurance program approved on the basis of the council's or committee's recommendations. The same individuals could be members of both the council or committee and the authority's board of directors.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

2-8

Jim Johnston by phone:

- ① change majority leader of assembly to speaker (for appointing members of board)
- ② have authority/board appoint executive director
- ③ give gov authority to appoint initial members until Senate can confirm - with full authority to perform duties